

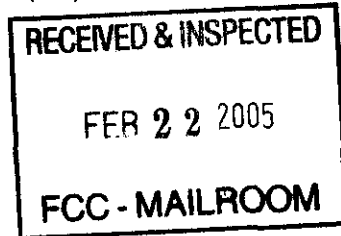


American Telecommunications Systems, Inc.



4450 Belden Village St. N.W., Suite 602
Canton, Ohio 44718
(330) 649-9265
(330) 649-9275 FAX

February 17, 2005



Federal Communications Commission
Office of the Secretary
445 12th Street S.W., Room TW-A325
Washington, DC 20554

Re: In the Matter of Request for Review by American Telecommunications Systems, Inc., Filer ID #818356, of Decision of Universal Service Administrator
CC Docket No. 96-45

To Whom It May Concern,

We would like to file a Formal Appeal to the Federal Communications Commission regarding the Universal Service Administrator's (USAC) dismissal of American Telecommunications Systems, Inc.'s Formal Appeal.

It is unbelievable to us that we were denied because of not being "timely filed". We, and our regulatory compliance company, Telcom Compliance Services, have tried since the first invoice we received from USAC, dated 7/15/99 to straighten this matter out with USAC.

Our company is a reseller of long distance services. We had an agreement with a company by the name of Tel-Save (now Talk.com) to resell long distance service through them, as one of their partitions. They reported and remitted USAC fees on behalf of themselves and all of their partitions. We had a lock box agreement with Tel-Save where they collected all of the revenue from the customers and retained sole control of all disbursements.

In July of 1999 we received an invoice directly from USAC and contacted them and our regulatory compliance company (Telcom Compliance Services) to find out why the invoice was sent directly to us and not to Tel-Save. We were told that USAC would look into it and get back to us. Then we were told by USAC that we had to pay the invoice while the matter was being resolved, or be in violation with them and risk losing our certifications to do business. So, we began paying the USAC invoices.

We and Telcom Compliance Services continued calling and writing USAC requesting resolution to this. We have learned that all other partitions of Tel-Save have received relief from USAC except us. Some of the partitions consisted of Telec, Group Long Distance, Discount Network Services, Providian Group, and Eastern

No. of Copies rec'd 0
List ABCDE

Telecommunications. Tel-Save collected and remitted all USAC fees for American Telecommunications Systems through December 2001. Beginning in December 2002, ATS began collecting, and continued remitting, funds to USAC, but on its own behalf. All charges and late payment fees should be credited to our account from the July 15, 1999 invoice through and including the December 2001 invoice. All late payment fees from January 2001 to present should also be credited. A spreadsheet on how much we have paid from July 15, 1999 through December 2001 invoice is enclosed. Another spreadsheet with interest only from January 2002 to present is also enclosed. We feel that the total of these two spreadsheets (\$90,419.40) is the amount for which we deserve a credit.

Since July of 1999 we and Telcom Compliance Services have been in contact with USAC to no avail. We could never get answers, or any kind of resolution. We have spoken to people on the phone and sent letters. Talk.com even provided us with a letter which we forwarded to USAC and the FCC. A copy of this letter is enclosed. It explains the reporting and billing practices of Talk.com (Tel-Save) and the corresponding effect on ATS. (Thus the double reporting and payment to USAC.) The letter also requests that USAC credit the ATS invoices since the payment had already been paid by them. Neither the letter, nor any other information which we provided, seemed to evoke a response from USAC. Nothing ever changed. We did everything we could think of, and everything which we were asked to do, and everyone at USAC seemed to pass the buck to someone else.

We stopped paying the monthly invoices, trying this as a last resort to get a response and resolution from USAC. We were never contacted directly by USAC, but we did receive a "FCC Final Demand & Notice of Debt Transfer" letter from Ms. Claudette Pride at the FCC. We immediately called the FCC and left a message for Ms. Pride telling her why we were calling and requesting a call back regarding this issue. We were not called back. We then sent a certified letter and an e-mail to Ms. Claudette Pride.

We received a call on 10/27/03 from Mr. Tim Peterson. He was responding to our e-mail to Ms. Claudette Pride. Finally we had reached a person at the FCC who we thought could help us. Mr. Tim Peterson. We explained the situation to him and asked his help. He told us that in order for the FCC to take action we had to file a formal appeal with USAC and that they would likely turn us down and then we had to appeal to the FCC and he could then help us. He requested we copy him in on everything, and we did so. A ray of hope was sent our way.

On 11/5/03 we sent a formal appeal to USAC, as we were directed to do.

On 12/4/03 we received another "Final Demand & Debt Transfer" letter. We immediately called Tim Peterson and he said to disregard it because it was just a form letter and he had stopped collections at the Treasury.

On 2/2/04 we received another "Final Demand & Debt Transfer" letter. We called Tim again and he said to disregard all notices we receive regarding collection and that we would resolve this issue.

Every month we called Tim Peterson and spoke to him or left a message on his voice mail regarding the fact that we had not heard from USAC yet. We asked him if he could check on their progress regarding a response to us. He checked and told us that we would probably not receive a response until September of 2004. We actually did not receive a response until December 2004 from USAC. Of course, they denied our appeal as being untimely filed. This, we feel, is so very untrue. We have, since day one, been trying to resolve this issue with USAC. We have called and written for years! All we have gotten is no response or the run around from them. How timely was their response to us? Over a year!! We are enclosing copies of letters which we have sent to USAC and the FCC. We are now appealing to the FCC. Please help us.

We are a bit concerned because Mr. Tim Peterson knows all about this but he is no longer in the position to handle this once our appeal gets to the FCC. He has taken a different position with the FCC, and our new contact there is Ms. Regina Dorsey (202) 418-1993. This has happened to us so many times working with USAC over the years; we should not be disheartened, but every time we think we are making progress and going to reach a resolution someone else is involved and we start all over again.

We are a small company and employ only eight people. We pay our taxes and we employ people who pay their taxes. If this ruling is upheld, it would surely create an undo hardship financially on this company. All of the recent changes in the telecom industry have already affected us. We outsource areas of our business to other small businesses, and their livelihood also depends on us. A negative outcome to this would severely impair our ability to operate as we are now. We implore your help in this matter.

We are sending a copy of all materials enclosed in this appeal to our US Congressman, Mr. Ralph Regula, to inform him of this matter and request his help in reaching a resolution.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Stathakaros", with a stylized, cursive script.

Mr. Bill Stathakaros
President

BS/ms
Enclosures
Cc: USAC
US Congressman Ralph Regula

Spreadsheet A		7/15/99 to 12/19/01				
Invoice Date		Check/Payment Date		Payments		Late Payment Fees
7/15/1999		8/16/1999		\$5,923.27		\$100.00
8/16/1999		9/17/1999		\$5,843.27		\$10.00
9/15/1999		10/12/1999		\$5,843.27		\$10.00
10/15/1999		11/12/1999		\$5,963.40		\$0.00
11/16/1999		12/14/1999		\$4,900.00		\$0.00
12/17/1999		1/12/2000		\$4,900.00		\$0.00
1/17/2000		2/11/2000		\$4,900.00		\$10.00
2/16/2000		Payment Withheld		\$0.00		\$34.14
3/20/2000		Payment Withheld		\$0.00		\$44.14
4/17/2000		Payment Withheld		\$0.00		\$72.74
5/17/2000		Payment Withheld		\$0.00		\$103.13
6/26/2000		Payment Withheld		\$0.00		\$209.90
7/25/2000		Payment Withheld		\$0.00		\$138.64
8/22/2000		Payment Withheld		\$0.00		\$170.08
9/22/2000		Payment Withheld		\$0.00		\$177.03
10/20/2000		Payment Withheld		\$0.00		\$189.67
11/19/2000		Payment Withheld		\$0.00		\$209.32
12/20/2000		Payment Withheld		\$0.00		\$222.70
1/21/2001		Payment Withheld		\$0.00		\$236.08
2/20/2001		3/8/2001		\$1,695.88		\$241.13
3/21/2001		4/9/2001		\$1,702.39		\$247.64
4/23/2001		5/10/2001		\$1,702.39		\$262.21
5/22/2001		6/11/2001		\$1,750.35		\$252.14
6/26/2001		Nothing Due This Month		\$0.00		\$250.19
7/20/2001		8/22/2001		\$5,298.38		\$2,622.31
8/21/2001		9/10/2001		\$5,298.38		\$294.75
9/21/2001		10/8/2001		\$5,521.16		\$222.78
10/19/2001		11/13/2001		\$5,317.29		\$223.40
11/21/2001		12/3/2001		\$5,317.29		\$299.32
12/19/2001		1/2/2002		\$5,317.29		\$258.56
		Total Payments and Fees		\$77,194.01		\$7,112.00

Spreadsheet B		1-23-02 to 1-24-05
Invoice Date		Late Payment Fees
1/23/2002		\$243.17
2/21/2002		\$247.44
No Statement		\$0.00
4/19/2002		\$312.09
5/22/2002		\$253.69
6/20/2002		\$259.32
No Statement		\$0.00
No Statement		\$0.00
No Statement		\$0.00
No Statement		\$0.00
11/22/2002		\$182.07
12/20/2002		\$194.95
No Statement		\$0.00
2/25/2003		\$270.61
3/21/2003		\$278.67
4/22/2003		\$357.84
5/22/2003		\$372.43
6/20/2003		\$392.76
7/22/2003		\$440.49
8/22/2003		\$427.80
9/22/2003		\$432.00
10/22/2003		\$130.89
11/21/2003		\$116.54
12/22/2003		\$106.75
1/22/2004		\$100.44
2/23/2004		\$92.10
3/22/2004		\$99.23
4/22/2004		\$96.52
5/21/2004		\$77.90
6/22/2004		\$89.50
7/22/2004		\$88.98
8/20/2004		\$91.57
9/22/2004		\$101.00
No Statement		\$0.00
11/22/2004		\$83.99
12/22/2004		\$84.56
1/24/2005		\$88.10
Total Fees		\$6,113.40



Holding Corp.

August 21, 2000

Universal Service Administration Company
Attention: Lisa Harter
80 South Jefferson
Whippany, New Jersey 09010

Dear Lisa:

The purpose of this letter is to explain the reporting and billing practices of Talk.com Holding Corp., f/k/a Tel-Save, Inc. and their corresponding effect American Telecommunications Systems (ATS).

Since the implementation of the FCC Universal Service Fund to all carriers in 1997, Talk.com Holding Corp., f/k/a Tel-Save, Inc. has included the revenues of ATS in the retail section of the 457/499 report. Based on this reporting practice, Talk.com has received monthly bills from your Agency and paid them in full. Thus ATS's FCC USF contributions have been paid by Talk.com from inception of the original invoice through the current invoice.

Talk.com has come to realize that the reporting of ATS's revenue should have been placed on the 457/499 report in the wholesale section rather than the retail section. Talk.com has come to realize that ATS may have reported their revenue directly to USAC which has resulted in ATS contributing twice to USAC (once indirectly through Talk.com and once directly via a direct invoice from USAC to ATS).

Talk.com apologizes for the confusion and analysis that this situation may have caused your Agency. However, please credit the ATS invoices since Talk.com has already paid ATS's FCC USF contributions.

Thank you for your time. Please feel free to contact Tina Tecce at 215-862-1803 if you have any questions or concerns surrounding the Talk.com and ATS billing arrangement.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Janet Kirschner".

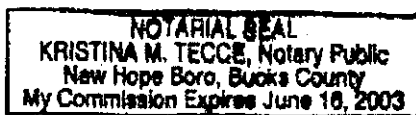
Janet Kirschner
Controller

State of Pennsylvania)
County of Bucks) "

I, the undersigned Controller of
Talk.com Holding Corp., f/k/a Tel-Save, Inc.
do severally say that the foregoing letter has been prepared, under my direction, that we have
carefully examined the same, and declare the same to be a complete and correct statement of the
business and affairs.

[Signature]
Controller

Subscribed and sworn to before me this 21st day of August, 2000.
[Signature]



6455 East John Crossing, Suite 285
Duluth, GA 30097
PH: 678-775-2242
FX: 678-775-2254

TCS

Fax

To: Bill Stathakaros

From: Tisa Shumake

Fax: 330-649-9275

Pages: 3

Phone: 330-649-9265

Date: August 30, 2000

Re: Talk.com

CC:

☐ Urgent ☒ For Review ☐ Please Comment ☒ Please Reply ☐ Please Recycle



Federal Communications Commission
Washington, D.C. 20554

October 8, 2003

American Telecommunications Systems, Inc.
4450 Belden Village ST. NW Suite 602
Canton, OH 44718
Attn: Accounts Payable

**RE: IMPORTANT INFORMATION DO NOT DISCARD -FINAL DEMAND AND
NOTICE OF DEBT TRANSFER**

American Telecommunications Systems, Inc.
0004-3370-85
04US000040

The Universal Service Administrative Company (USAC) notified the entity referenced above (You or Debtor) previously and provided other correspondence concerning a Debt due and payable to the federal Universal Service Fund (USF) (a debt owed to the United States). The Debt results from Debtor's non-payment of USF contributions. Because Debtor failed to pay this Debt and the accrued administrative charges, it has been referred to the Federal Communications Commission (Commission or FCC) for further collection effort. The Commission has determined that the outstanding Debt, including presently accrued administrative charges owed to the USF is **\$ 38,916.10** to date. This Notice is a Demand for payment to be remitted no later than 30 days from the date of this Notice.

**THE FOLLOWING PROVISIONS PROVIDE IMPORTANT INFORMATION AND A
DESCRIPTION OF LEGAL RIGHTS AND OBLIGATIONS**

1. Debtor is cautioned that failure to remit the demanded payment on or before the Last Due Date will result in further sanctions, including, but not limited to, the initiation of proceedings to recover the outstanding debt, together with any applicable administrative charges, penalties, and interest pursuant to the provisions of the Debt Collection Act of 1982 (Public Law 97-365) and the Debt Collection Improvement Act of 1996 (Public Law 104-134), as amended (the DCIA), as set forth below.

2. If we do not receive full payment of the outstanding Debt plus accrued administrative charges within 30 days of the date of this letter (Last Due Date), pursuant to the DCIA, You may incur additional charges and costs, and we will transfer the Debt to the United States Department of Treasury (Treasury) or the United States Department of Justice for debt collection. The FCC has determined that the funds are owed to the United States pursuant to the provisions of 31 U.S.C. § 3701 and 47 U.S.C. § 254. Because the unpaid amount is a debt owed to the United States, we are required by the DCIA to impose interest, processing charges, and penalties (31 U.S.C. § 3717(e)), and to inform You what may happen if You do not pay the full outstanding debt. Under the DCIA, the United States will charge interest from the date of this notice (Demand Date), you will be required

to pay the administrative costs of processing and handling a delinquent debt to date, as well as the administrative costs as set by the Treasury (currently 18% of the debt), and You will be charged an additional penalty of 6% a year for any part of the debt that is more than 90 days past due. Interest on the outstanding debt (DCIA Interest) will be assessed at the published investment rate for the Treasury tax and loan accounts (Treasury Current Value of Funds Rate). However, if You pay the full amount of the outstanding Debt and associated administrative costs and penalties within 30 days of the Demand Date, the DCIA Interest will be waived. These requirements are set out at 31 U.S.C. § 3717.

3. When we transfer the Debt (to the Treasury), You may be subject to other administrative proceedings. Your failure to pay the Debt may be reported to credit bureaus (*see* 31 U.S.C. § 3711(e)), the Debt will be considered for administrative offset (*see* 31 U.S.C. § 3716), the Debt may be further transferred to collection agencies (*see* 31 U.S.C. §§ 3711 & 3718), and also the Debt may be referred to the United States Department of Justice or agency counsel for litigation. In that situation, You may be subject to additional administrative costs that result from the litigation. Moreover, pursuant to 31 U.S.C. § 3720B, a person owing an outstanding nontax debt that is in delinquent status shall not be eligible for Federal financial assistance. You should be aware that the discharge of any portion of the debt may be reported to the Internal Revenue Service as potential taxable income.

Rights of Inspection, Review, and Repayment Agreement

4. You (through Your previously designated authorized representative) have a right to inspect and copy the invoices and other records that are pertinent to Your Debt, and You may request that we review the records pertaining to the Debt and You may, in connection with that request and review, present evidence that all or part of the Debt is not past due or legally enforceable. Finally, You have an opportunity to enter into a written repayment agreement (Promissory Note) to pay the full amount of the Debt. In that case, You must first provide evidence that demonstrates financial inability to pay the debt in one payment. Your claim of financial inability to pay in one payment is subject to verification (*see* 31 CFR § 901.8), and if Your request is approved for further processing, You will be required to execute a written agreement suitable to the Commission. If You desire to exercise any of these above described rights, You must do so in writing delivered to and received at the address below within 10 (ten) days of the Demand Date. Any required evidence must be submitted at the same time that You submit your request. Failure to provide the written request (and, as appropriate, the required evidence) within the stated time is a waiver of these rights.

5. You may notify us in writing by mail or email to the following addresses:

**Federal Communications Commission
Attn: Revenue and Receivables Operations Group
445 12th Street S.W., Room 1-A821
Washington, DC 20554**

Email: ARINQUIRIES@fcc.gov

When You pay the Debt, your remittance must be delivered in a manner so as be received on or before the Last Due Date by the Commission at the following address:

Federal Communications Commission
P.O. Box 358340
Pittsburgh, PA 15251-5340

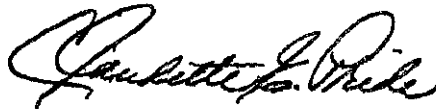
If the Commission does not receive the full payment of the Debt (as computed to the date of payment) by the Last Due Date, the Commission will promptly transfer the Debt to the Treasury or the United States Department of Justice for collection. As noted above, transfer of the Debt may result in sanctions, including, but not limited to, substantial additional costs and fees pursuant to the provisions of the DCIA.

If this debt has been satisfied or otherwise mitigated, You/Debtor must, before the Last Due Date, provide evidence satisfactory to the Commission, such as a verified copy of the cancelled check, which satisfied the full amount of the Debt, or a Resolution Letter issued by USAC or the Commission, together with a copy of this Notice to the Commission at the following address:

Federal Communications Commission
Attn: Revenue and Receivables Operations Group
445 12th Street S.W., Room 1-A821
Washington, DC 20554

If You have any questions, please contact the Revenue and Operations Group at (202) 418-1995 or by email to ARINQUIRIES@fcc.gov.

Sincerely,



Claudette E. Pride
Chief
Revenue and Operations Group

**Federal Communications Commission
BILL FOR COLLECTION**

FOR INQUIRIES CALL
1-202-418-1995
(Revenue & Receivable Ops Group)

Bill Number	Current Bill Date
0405000040	10/08/03

PAYER FRN#	APPLICANT FRN#
	0004337085

American Telecommunications Systems, Inc.
6455 E Johns Crossing
Ste 200
Duluth, GA 30097

Payable to:
Federal Communications Commission

Send a copy of this bill to:
Federal Communications Commission
REVENUE & RECEIVABLE OPER.
P.O. BOX 358340
PITTSBURGH, PA 15251-8340

Total Amount Due		Due Date
\$38,916.10	Total Amount Due Must Be Received By	11/05/03

SPECIAL INSTRUCTIONS (OPTIONAL)

PAYER FCC REGISTRATION NUMBER (FRN) REQUIRED

USAC FINAL DEMAND BILLING ATTN: ACCOUNTS PAYABLE

FCN: CALL SIGN:

PAYER ADDRESS:

Please write your bill number on your remittance.
Please attach a copy of this bill to your payment to ensure proper credit.

PTC	Quantity	Fee Due
USAC	0	\$38,916.10
Total Due		\$38,916.10

Payment Method: Check ☐ (Attach)
Credit Card ☐ (Complete Below)

☐ MasterCard ☐ American Express
☐ VISA ☐ Discover

Account No:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Expiration:

Month		Year	

I hereby authorize the FCC to charge my Credit Card for the service(s) / authorization(s) herein described.
AUTHORIZED SIGNATURE DATE

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7000 1530 0005 2892 0189

WASHINGTON DC 20554

Postage	\$ 10.37
	\$2.30
Certified Fee	\$1.75
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 14.42

OCT 20 2003
 10/20/2003
 4718 05
 Postmark Here

Sent To
Fcc / Ms. Claudette Pride / Rm. & Rm. Ops.
 Street, Apt. No., or PO Box No.
445 12th Street S.W., Room 1-A821
 City, State, ZIP+4
Washington DC 20554
 PS Form 3800, May 2000 See Reverse for Instructions

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
- ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
- ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

3. Article Addressed to:

Ms. Claudette Pride
Federal Communications Commission
445 12th St. S.W., Room 1-A821
Washington, DC 20554

4a. Article Number

7000 1530 0005 2892 0189

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Receipt

RECEIVED & INSPECTED

5. Received By: (Print Name)

CLAUDETTE PRIDE

6. Signature (Addressee or Agent)

CLAUDETTE PRIDE

8. Addressee's Address (Only if requested and fee is paid)

OCT 27 2003

FCC MAIL ROOM

PS Form 3811, December 1994

102535-99-100223 Domestic Return Receipt

Thank you for using Return Receipt Service.

(USAC)



American Telecommunications Systems, Inc.



4450 Belden Village St. N.W., Suite 602
Canton, Ohio 44718
(330) 649-9265
(330) 649-9275 FAX

October 17, 2003

Ms. Claudette E. Pride
Federal Communications Commission
Attn: Revenue and Receivables Operations Group
445 12th Street S.W., Room 1-A821
Washington, DC 20554

Sent Via E-Mail to:
ARINQUIRIES @fcc.gov
and Certified Mail

Re: Final Demand and Notice of Debt Transfer
American Telecommunications Systems, Inc.
0004-3370-85
04US000040

Dear Ms. Pride,

We have been disputing this debt with USAC since 7/15/99. We have called, mailed letters, and had our regulatory compliance company contact USAC to no avail, trying to resolve this matter with them.

At one time we were a partition under Tel-Save, and as such, Tel-Save was the owner, carrier, & collector of the revenue. We began paying the USAC invoices when we received them, until this dispute could be straightened out. As time went on and we could not get anywhere with anyone at USAC, we stopped paying the invoices. USAC actually owes us money. When we were no longer with Tel-Save, and began billing our customers ourselves through USBI, we began paying the USAC charges that were ours to pay.

We are glad the FCC is now involved in this, and hopefully we will be able to resolve this once and for all. Please review the records USAC has, pertaining to this debt, and you will see that we are not responsible for this debt and that they actually owe us monies. We would like to speak directly to someone at the FCC. Please call 800-961-4245, 8:30 AM to 5:00 PM Eastern Standard Time, and speak to myself or Mrs. Myra Stidd, if I am unavailable. We look forward to resolving this issue as soon as possible.

Sincerely,

Mr. Bill Stathakaros
President

BS/ms

Subj: Response to Final Demand & Notice of Debt Transfer for USAC
Date: 10/20/2003 11:43:15 AM Eastern Daylight Time
From: MyraS7237
To: ARINQUIRIES@fcc.gov
Cc: Big store
File: FCC - USAC Response Letter to Demand \$ 10-03.doc

Ms. Claudette E. Pride,

I am attaching our response letter to the FCC Final Demand & Notice of Debt Transfer which we received from you. We would like to be in contact with someone at the FCC regarding this. Please call Mr. Bill Stathakaros, President or myself at 800-961-4245. You may also e-mail Mr. Stathakaros at bigstore@aol.com or myself at myras7237@aol.com. Thank you.

Sincerely,
Mrs. Myra Stidd

American Telecommunications Systems, Inc.
4450 Belden Village St. NW, Suite 602
Canton, OH 44718
(330) 649-9265 Fax (330) 649-9275 Toll-Free 800-961-4245

American Telecommunications Systems, Inc.
4450 Belden Village Street NW, Suite 602
Canton, OH 44718

(330) 649-9265
(330) 649-9275 Fax
(800) 961-4245 Toll-Free

October 17, 2003

Ms. Claudette E. Pride
Federal Communications Commission
Attn: Revenue and Receivables Operations Group
445 12th Street S.W., Room 1-A821
Washington, DC 20554

Sent Via E-Mail to:
ARINQUIRIES @fcc.gov
and Certified Mail

Re: Final Demand and Notice of Debt Transfer
American Telecommunications Systems, Inc.
0004-3370-85
04US000040

Dear Ms. Pride,

We have been disputing this debt with USAC since 7/15/99. We have called, mailed letters, and had our regulatory compliance company contact USAC to no avail, trying to resolve this matter with them.

At one time we were a partition under Tel-Save, and as such, Tel-Save was the owner, carrier, & collector of the revenue. We began paying the USAC invoices when we received them, until this dispute could be straightened out. As time went on and we could not get anywhere with anyone at USAC, we stopped paying the invoices. USAC actually owes us money. When we were no longer with Tel-Save, and began billing our customers ourselves through USBI, we began paying the USAC charges that were ours to pay.

We are glad the FCC is now involved in this, and hopefully we will be able to resolve this once and for all. Please review the records USAC has, pertaining to this debt, and you will see that we are not responsible for this debt and that they actually owe us monies. We would like to speak directly to someone at the FCC. Please call 800-961-4245, 8:30 AM to 5:00 PM Eastern Standard Time, and speak to myself or Mrs. Myra Stidd, if I am unavailable. We look forward to resolving this issue as soon as possible.

Sincerely,

~~Mr.~~ Bill Stathakaros
President

BS/ms



American Telecommunications Systems, Inc.



4450 Belden Village St. N.W., Suite 602
Canton, Ohio 44718
(330) 649-9265
(330) 649-9275 FAX

November 5, 2003

Universal Service Administrative Company
USAC Billing and Disbursement
12902 Federal Systems Park Drive
Fairfax, VA 22033-4412

Re: USAC Filer 499ID #818356 Account

To Whom It May Concern,

This letter is a formal appeal to USAC to please get the billing and monies due corrected on our account. No amount due should ever have been sent to the FCC for debt collection regarding our company.

We have tried and tried to resolve this issue directly with USAC. Tel-Save was the responsible party who should have been charged and remitting on our behalf from day one, since the first USAC invoice we have ever received, dated July 15, 1999. We were a partition under Tel-Save, and as such they collected and remitted on our behalf. We have called USAC, written letters, and provided documentation from Talk.com (formerly Tel-Save) to no avail. Our compliance company, Telcom Compliance Services, has also had contacts at USAC, working on this matter, and nothing has ever been resolved. We were told to pay the invoices so we would stay compliant and in business while this issue was worked out. Here we are, over four years later, and nothing has been resolved.

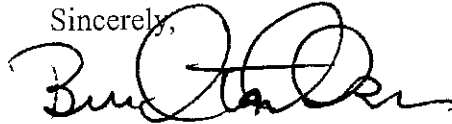
Tel-Save collected and remitted all USAC fees for American Telecommunications Systems through December 2001. Beginning in January 2002, ATS began collecting and continued remitting funds, but on its own behalf. All charges and late payment fees should be credited to our account from the July 15, 1999 invoice through and including the December 2001 invoice. All late payment fees from January 2001 to present should also be credited. USAC actually owes us money for all the invoices, which we paid and should not have. In our approximation, USAC owes us approximately \$45,000.00 to \$50,000.00.

We are at a loss, we do not know what else to do to get USAC to correct this matter. This appeal is our final appeal to USAC to please correct the billing records for our account to reflect the true and correct amount that American Telecommunications Systems actually owes. We are enclosing, for your review, a copy of the original

notarized letter we received from Talk.com (which was already sent to USAC in September of 2000), saying they have already paid ATS's contribution to USAC.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Stathakaros". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Mr. Bill Stathakaros
President

BS/ms

Enclosure

Cc: Mr. Tim Peterson, Federal Communication Commission



Universal Service Administrative Company

Administrator's Decision on Contributor Appeal

December 21, 2004

VIA FEDERAL EXPRESS

Mr. Bill Stathakaros
President
American Telecommunications Systems, Inc.
4450 Belden Village St. N.W., Suite 602
Canton, OH 44718

Re: American Telecommunications Systems, Inc. (Filer ID # 818356)

Dear Mr. Stathakaros:

By your letter dated November 5, 2003, submitted on behalf of American Telecommunications Systems, Inc. (American), you requested review of a decision of the Universal Service Administrative Company (USAC) in accordance with 47 C.F.R. § 54.719(b) (Request or Appeal). For the reasons set forth below, USAC dismisses American's Appeal as untimely filed. Alternatively, USAC affirms its decision and denies American's Appeal.

Background:

American asserts that its federal Universal Service Fund (USF) contribution obligations from July 1999 through December 2001 were paid on American's behalf by its underlying (wholesale) carrier.¹ American apparently never remitted payment of the contested USF charges to USAC. USAC continuously assessed monthly late payment fees on the unpaid USF charges until September 15, 2003, when USAC transferred to the Federal Communications Commission (FCC) for collection those charges that were at that time more than 90-days delinquent.

American claims that USAC erred in refusing to reverse the USF charges and associated late payments fees that it asserts were paid by its underlying carrier. In support, American directs our attention to a letter from American's underlying carrier to USAC dated August 21, 2000. Among other things, the underlying carrier states:

¹ American explains that it was "a partition under Tel-Save [f/k/a Talk.com], and as such they collected and remitted on our behalf." Although we are unfamiliar with the meaning of the term "partition" in this context, from American's Appeal and other available information it appears (and we assume for purposes of our decision) that American and Talk.com had a wholesaler-reseller relationship.

[We have] come to realize that the reporting of [American's] revenue should have been placed [in] the wholesale section [of FCC Forms 457 and 499A] rather than the retail section. [We have] come to realize that [American] may have reported their revenue directly to USAC which has resulted in American contributing twice to USAC (once directly through [us] and once directly via a direct invoice from USAC to [American]).

Discussion

USF Contributors that are aggrieved by USAC billing and collection actions or decisions may request review from USAC provided that such requests are filed within 60 days of the action or decision in question.² American expressly challenges USAC's decision not to reverse the contested USF charges and associated late payment fees. Although the date of this decision is not set forth in the Appeal, USAC would have made such a decision in 2000, soon after receipt of the August 21, 2000 letter from American's underlying carrier.³ Because American's Appeal letter is dated November 5, 2003, several years after the decision being appealed, American's Appeal is untimely.

With a 60-day filing deadline for appeals, the only possible action that American could be appealing is USAC's September 15, 2003, transfer of American's delinquent USF debt to the FCC. Yet, American offers no grounds on which to challenge this transfer.⁴ Transfers of delinquent USF debt to the FCC are mandated by the federal Debt Collection and Improvement Act (DCIA) and implementing FCC regulations and we can find no error in USAC's execution of this particular transfer.⁵

Nevertheless, even were we to reach American's argument concerning the asserted payment of American's USF obligations by its underlying carrier, we would still deny American's Appeal and affirm our decision not to refund the contested charges.

FCC regulations require all providers of interstate telecommunications providers to contribute to the USF.⁶ While carriers must contribute to the USF based upon reported "end-user" revenue, generally carriers are not required to contribute to the USF based upon reported wholesale or "carrier's carrier" revenue.⁷ In a wholesaler-reseller

² See 47 C.F.R. §§ 54.719(b), 54.720(c).

³ Although no precise decision date is set forth, American does not and could not possibly contend that USAC's decision not to reverse the charges at issue was made within 60 days of American's Appeal.

⁴ Indeed, having missed its opportunity to contest the basis for the debt, there appear to be no grounds for such a challenge.

⁵ See Debt Collection Act of 1982 (Public Law 97-365) and the Debt Collection Improvement Act of 1996 (Public Law 104-134), as amended; see also 47 C.F.R. § 1.1901 *et seq.*

⁶ See 47 C.F.R. § 54.706; see also Instructions to the Telecommunications Reporting Worksheet, 2004 FCC Form 499A at 27 ("Entities that provide interstate telecommunications to the public for a fee must contribute.") (hereafter "2004 Worksheet Instructions").

⁷ See Instructions to the Universal Service Worksheet, 1999 FCC Form 457 at 18 ("Revenue from service provided to resellers that contribute directly to universal service will be excluded from the funding base for

situation, the carrier with end-user revenue has the primary responsibility for meeting USF contribution obligations based upon that revenue.⁸

Because American had end-user telecommunications revenue, it was American's obligation to report and contribute based upon that revenue. To the extent that American also paid its underlying carrier USF pass-through charges, a refund of such charges to American, if due, must be obtained from the underlying carrier.⁹

For many reasons, it is difficult if not impossible for USAC to verify the precise extent of alleged double-payment situations. For example, even if the underlying carrier in this case had revised its Worksheet to reflect reclassification of American's revenue as wholesale, USAC would have no way of distinguishing revisions associated with this reclassification from revisions for other reasons. Indeed, we doubt that we could ever conclusively establish whether an underlying carrier in fact reported and paid on a particular carrier's revenue without data carefully correlated by both carriers (hence the requirement that carriers resolve these issues among themselves).

Accordingly, and for the reasons set forth above, we deny American's appeal as untimely filed. In the alternative, we affirm our September 2003 transfer of American's then-delinquent USF debt to the FCC pursuant to the DCIA.

Decision on Appeal: Denied.

If you disagree with USAC's response to your Appeal, you may file an appeal with the FCC. Your appeal must be **POSTMARKED** within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via the United States Postal Service, you should direct the appeal to:

Federal Communications Commission
Office of the Secretary
445 – 12th Street, SW
Room TW-A325
Washington, DC 20554

determining universal service contributions of the underlying contributor (i.e., the entity selling service to the reseller)."); Instructions to the Telecommunications Reporting Worksheet, 2000 FCC Form 499A at 13 (explaining the basis and criteria for segregating end-user and carriers' carrier revenue). Current Worksheet Instructions provide guidance that is essentially unchanged on this issue.

⁸ *De minimis* carriers are a notable exception that is inapplicable in this case. See, e.g., 2004 Worksheet Instructions at 17.

⁹ Notably, American's underlying carrier had the opportunity to file a revised Telecommunications Reporting Worksheet (Worksheet) re-classifying revenue from services provided to American as end-user revenue. For example, the date of the letter from American's underlying carrier, August 21, 2000, acknowledging the erroneous classification of American's revenue was well within the period during which it could have timely filed a revised 2000 FCC Form 499A.

Documents sent by Federal Express or any other express mail should use the following address:

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743
(8:00 A.M. – 5:30 P.M. ET)

For hand-delivered or messenger-delivered items, use the following address:

Federal Communications Commission
Office of the Secretary
236 Massachusetts Avenue, NE, Suite 110
Washington, DC 20002
(8:00 A.M. – 7:00 P.M.)

For security purposes, hand-delivered or messenger-delivered documents will not be accepted if they are enclosed in an envelope. Any envelopes must be disposed of before entering the building. Hand deliveries must be held together with rubber bands or fasteners.

Appeals may also be submitted to the FCC electronically, either by the Electronic Comment Filing System (ECFS) or by fax. The FCC recommends filing with the ECFS to ensure timely filing. Instructions for using ECFS can be found on the ECFS page of the FCC web site. Appeals to the FCC filed by fax must be faxed to 202-418-0187. Electronic appeals will be considered filed on a business day if they are received at any time before 12:00 A.M. (midnight), Eastern Standard Time. Fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 A.M.

Please be sure to refer to CC Docket No. 96-45 on all communication with the FCC. The appeal must also provide your company's name and Filer ID, plus necessary contact information, including the name, address, telephone number, fax number, and e-mail address of the person filing the appeal. Unless the appeal is by ECFS, please include a copy of the decision at issue.

USAC

Universal Service Administrative Company

cc: Tom Putnam, and Regina Dorsey, FCC Office of Managing Director
Cathy Carpino, FCC Wireline Competition Bureau
Hillary DeNigro and Eric Bash, FCC Enforcement Bureau



Date: 07/15/1999
Invoice #: 153080
Company: 818356

American Telecommunications Sy
7237 B Suite 200
Whipple Ave. NW
North Canton, OH 44720

Attn: Chris Stockhoff

Mail Payment to:
Universal Service
Administrative Company
P.O. Box 371719
Pittsburgh, PA 15251-7719

STATEMENT OF ACCOUNT

-----Detail of Charges-----		Amount
Date	Previous Month's Balance	\$0.00
07/15/1999	High Cost Fund Charges	\$3,043.70
07/15/1999	Low Income Fund Charges	\$881.50
07/15/1999	Schools & Libraries Fund Charg	\$1,898.07
07/15/1999	Late Filing Penalty	\$100.00
Total Charges		\$ 5,923.27

-----Detail of Payments-----		Amount
Date		
Total Payments Received		\$0.00

Total Amount Due USAC	\$ 5,923.27
	=====

Payment is due by 08/13/1999

Please remit pink copy with payment to ensure proper credit.

Transactions occurring after 07/15/1999 are not reflected on this statement

Direct questions to the USAC Administrator - (973) 560-4400

ORIGINAL

72378 WHIRPLE AVE, NW, #200
NORTH CANTON, OH 44720

2599


8-103/410
434

DATE 5-16-71

PAY
TO THE
ORDER OF

PAY TO THE ORDER OF Universa Service Administrative Company

\$ 5,923.21

Five thousand nine hundred twenty-three and ²⁷/₁₀₀ DOLLARS 



FOR INVOICE #153080 COMPANY #818356

Myra J. Hall

"002599" "041001039": 354341000389

UNIVERSAL SERVICE
ADMINISTRATIVE CO ^{INC}

P.O. Box 371719
Pittsburgh, PA 15251-7719

Bill
Chris
and me
pay!
Send out price
per B.



TRA
Member

American Telecommunications Systems, Inc.

7237B Whipple Ave. N.W., Suite 200
North Canton, Ohio 44720
(330) 966-8116
(330) 966-2369 FAX

August 16, 1999

Universal Service Administrative Company
P.O. Box 371719
Pittsburgh, PA 15251-7719

Re: Company 818356

To Whom It May Concern,

Enclosed you will find our first payment to USAC. We are sending payment, under protest, because we were told by USAC that payment is mandatory until we settle the dispute of double payments to USAC for the same traffic which Tel-Save is remitting payment to USAC. We are a partition of Tel-Save and they collect and remit payment to USAC for all of their partitions, including us and our traffic through them.

We have been threatened with losing our certification if we do not make payments, so we will diligently work with USAC to resolve the issue at hand. Our regulatory attorney, Mr. Chris Stockhoff, can be reached at (768) 775-2244 or you may call me at 1-800-961-4245. We are confident that this will be resolved soon.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bill Stathakaros', with a large, stylized 'B' and 'S'.

Mr. Bill Stathakaros
President

BS/ms
Enclosures